

FINANCIAL SECRETARIAT

Dated 14th November 1953

CIRCULAR.

No. FI. (B). 10901-2100—C.R. 23-53-1. The Accountant General, Mysore, Bangalore, has brought to the notice of Government the following irregularities in regard to the submission of Detailed Contingent bills for amounts drawn by departmental officers on A. C. bills :—

(1) In respect of amounts drawn on Abstract Contingent bills, Detailed Contingent bills are sent to the Audit Office even after a lapse of six months to one year. Such delays in the submission of Detailed Contingent bills in respect of amounts drawn on Abstract Contingent bills are in contravention of the provisions contained in Article 220, Mysore Financial Code, Volume I, and should be strictly avoided.

(2) Amounts drawn on Abstract Contingent bills and placed at the disposal of Disbursing Officers are sometimes kept by them in the amanath accounts (outside the treasury balance) for long intervals. This procedure being in contravention of the provisions contained in Article 306, Mysore Financial Code, Volume I, should also be discontinued.

(3) In certain cases, amounts are drawn in lumpsum from the treasury at the lag end of the official year without reference to immediate requirements, apparently with a view to avoid lapse of grant. This is highly irregular and contrary to the provisions contained in Article 190 of the Mysore Financial Code, Volume I, and such an irregular and objectionable procedure should be strictly avoided in future.

Government wish to impress on all Drawing and Disbursing Officers the need for strict adherence to the rules laid down in the Codes and any deviation therefrom leading to irregularities of the kind pointed out above will be viewed seriously and suitable disciplinary action will be enforced. The Heads of Departments to whom such irregularities are brought to notice should take prompt action then and there and see that the officers handling public money realise their responsibility.

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Dated 16th November 1953.

No. FI.(B) 11322-422—T.S. 16-53-2. Ordered that the accompanying letter No. F. No. 48(13) I.T.—53, dated the 4th May 1953, from the Under Secretary to the Government of India, Ministry of Finance (Revenue Division), regarding Income-tax Deduction from salaries during 1953-54, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Rajpramukh,

N. MADHAVA RAO,
Secretary to Government,
Finance Department.

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GOVERNMENT OF INDIA.

Ministry of Finance (Revenue Division).

F. No. 48 (13) I.T.—53.

New Delhi, the 4th May 1953.

From

Shri K. L. Mittal,
Deputy Secretary to the Government of
India.

To

All State Governments except Jammu and
Kashmir.

Subject.—Income-tax—Deduction from salaries during
1953-54.

Sir,

I am directed to invite a reference to this Ministry's letters C. No. 48(4) I.T.—51, dated the 16th May 1951, and C. No. 43(3) I.T.—52, dated the 22nd March 1952, on the subject of deduction of income-tax from salaries paid during the year 1952-53. The Finance Act, 1953, has effected no change in the rates and allowances, in so far as they relate to income under the head "Salaries":—

(1) The basic rates of income-tax continue to be as follows :—

	Rate	Surcharge
1. On the first Rs. 1,500 of total income...	Nil	Nil
2. On the next Rs. 3,500 of total income...	Nine pies in the rupee	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 5,000 of total income	One anna and nine pies in the rupee.	do
4. On the next Rs. 5,000 of total income ...	Three annas in the rupee.	do
5. On the balance of total income	Four annas in the rupee.	do

These rates are subject to the conditions that—

(i) no income-tax shall be payable on a total income which, before deduction of the allowance for earned income, does not exceed Rs. 4,200 ;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance for earned income) exceeds Rs. 4,200 ;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds Rs. 4,200 the same proportion as such reduced total income bears to the unreduced total income ; or

(b) the income-tax payable on the income so reduced at the rates specified above whichever is less ;

(iv) (a) no surcharge shall be payable on a total income, which before deduction of allowance, if any, for earned income, does not exceed the limit of Rs. 7,200 ;

(b) the surcharge payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceed the said limit.

(2) The rate of relief for "earned income" is, as before, one-fifth subject to a maximum of Rs. 4,000.

(3) No abatement is to be allowed by the persons responsible for paying the salary in respect of any donations for charitable purposes.

(4) For super-tax purposes, the basic rates prescribed continue to be as below :—

	Rate	Surcharge
1. On the first Rs. 25,000 of total income.	Nil	Nil
2. On the next Rs. 15,000 of total income.	Three annas in the rupee.	One-twentieth of the rate specified in the preceding column.
3. On the next Rs. 15,000 of total income.	Four annas in the rupee.	do
4. On the next Rs. 15,000 of total income.	Six annas in the rupee	do
5. On the next Rs. 15,000 of total income.	Seven annas in the rupee.	do
6. On the next Rs. 15,000 of total income.	Seven and a half annas in the rupee.	do
7. On the next Rs. 50,000 of total income.	Eight annas in the rupee.	do
8. On the balance of total income	Eight and a half annas in the rupee.	do

The distinction between earned and unearned income for charge of super-tax has been abolished from 1st April 1950.

2. As before rebate of income-tax on account of insurance premia, provident fund contributions, etc., is admissible up to a maximum of one-sixth of the total income before deduction of the allowance for earned income, or Rs. 6,000, whichever is less.

3. The following examples illustrate the manner of calculating the income-tax and super-tax (where due) :—

Example I—

Pay and allowances for the year—Rs. 4,220.

Under the third condition mentioned in para I (i) above, the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds Rs. 4,200 the same proportion as such reduced total income bears to the unreduced total income, or